

Red Industrial Drive No 'Penny Ante' Game, ARCB Delegates Hear

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PALM BEACH, Fla., April 9. — The competition of the Soviet Union with the United States for position as the world's top industrial power, and dominance in the now neutral, or undecided areas of the world is no "penny ante game."

Robert Amory, Jr., here to address the session of the Association of Reserve City Bankers at the Breakers Hotel, expressed this opinion to the press preceding his talk on "Russia Behind the Scenes. He is a senior director of the U. S. Central Intelligence Agency, and spoke off the record to the Reserve City Bankers.

Russian commitments or deals under discussion with other nations now total close to \$2 billion, he explained. Of this, about \$1.5 billion is already tied in to specific projects, such as steel mills, road building and agricultural equipment.

A "Hard-Boiled" Technicians

Russia's representatives in these negotiations with such countries as Egypt, India, Indonesia, are not political, but hard-boiled technicians who eschew propaganda. Instead they talk about the mutual benefits of trade, and the advantages of dealing with Russia which has need for these countries' raw materials. They live modestly, and have the advantage that they can make decisions quickly, whereas representatives of the United States are hampered by red tape and publicity.

Mr. Amory said that Russia's current and five-year plans add up to an objective of equalling or surpassing the United States in industrial output by 1975, or within the first post-war generation. Progress in this direction has been made, and fulfillment of past five-year plans leave little room for doubt that chances of future planned progress will become a serious threat, he told the press. By 1960, their heavy capital outlays for steel production, he said, will bring their output up to 75 million tons, or more than half of the United States, and by 1975, they expect to catch up with us. Currently, Russian production is about 40% of U. S. in steel.

Vigil on Red China Urged

"Keep an eye on Red China also," Mr. Amory said. They are channeling 22% of their product into capital goods and housing.

Our foreign aid program faces the problem of not only competing with Russian offers in the neutral world, but of increased requests of aid from our allies, who seem to feel that their loyalty to us should be better rewarded.

Comparative figures presented by Mr. Amory indicate that Russia is underselling the free world on a number of exports.

One of the curious things mentioned by Mr. Amory was that up till this year, our Foreign Assistance Budget was hampered by a system of accounting which charges it with the replacement cost of planes, tanks, etc., which are granted to foreign countries. The equipment sent abroad is obsolete, or near obsolete for our forces, but the cost charged to the Foreign Assistance Program was that of current replacement cost.

The cost of "staying" in this game for the American position in the non-committed world, he explained, is necessarily large, but he added, "it would be regrettable if we were forced out because of the difference of opinion over the spending of a few hundred million dollars."